

**HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.**

**Financial Statements and  
Supplementary Information**

**June 30, 2015 and 2014**

**(With Independent Auditors' Report Thereon)**

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Herbert H. Lehman College Auxiliary  
Enterprise Corporation, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Herbert H. Lehman College Auxiliary Enterprise Corporation, Inc. (the Auxiliary) as of and for the years ended June 30, 2015 and 2014, and the related notes to financial statements, which collectively comprise the Auxiliary's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Auxiliary's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Auxiliary's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Herbert H. Lehman College Auxiliary Enterprise Corporation, Inc. as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Toski & Co., CPAs, P.C.

Williamsville, New York  
October 5, 2015

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis

June 30, 2015 and 2014

The intent of Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of the Herbert H. Lehman College Auxiliary Enterprise Corporation, Inc.'s (the Auxiliary) financial position as of June 30, 2015, and changes in net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

**Financial Highlights**

- The Auxiliary's total net position increased \$177,757 or 15% from the prior fiscal year. This is largely due to an increase in cash on hand as a result of fiscal year 2015 accounts payable and accrued expenses which will be paid in early fiscal year 2016.
- Operating revenue totaled \$1,659,047 a decrease of \$8,560 or 1% from the prior fiscal year.
- Operating expenses totaled \$1,092,000, an increase of \$112,122 or 11% from the prior fiscal year.

**Financial Position**

The Auxiliary's net position, the difference between assets and liabilities, is one way to measure the Auxiliary's financial health. Over time, increases and decreases in the Auxiliary's net position is one indicator of an Auxiliary's long term fiscal stability.

**Statements of Net Position**

The following summarizes the Auxiliary's assets, liabilities, and net position as of June 30, 2015 and 2014, under the accrual basis of accounting:

	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
<b>Assets:</b>				
Current assets	\$ 942,499	788,417	154,082	20%
Noncurrent assets	<u>961,859</u>	<u>667,399</u>	<u>294,460</u>	44%
Total assets	<u>1,904,358</u>	<u>1,455,816</u>	<u>448,542</u>	31%
<b>Liabilities:</b>				
Current liabilities	516,477	266,526	249,951	94%
Noncurrent liabilities	<u>41,667</u>	<u>20,833</u>	<u>20,834</u>	100%
Total liabilities	<u>558,144</u>	<u>287,359</u>	<u>270,785</u>	94%
<b>Net position:</b>				
Net investment in capital assets	555,824	508,788	47,036	9%
Unrestricted	<u>790,390</u>	<u>659,669</u>	<u>130,721</u>	20%
Total net position	\$ <u>1,346,214</u>	<u>1,168,457</u>	<u>177,757</u>	15%

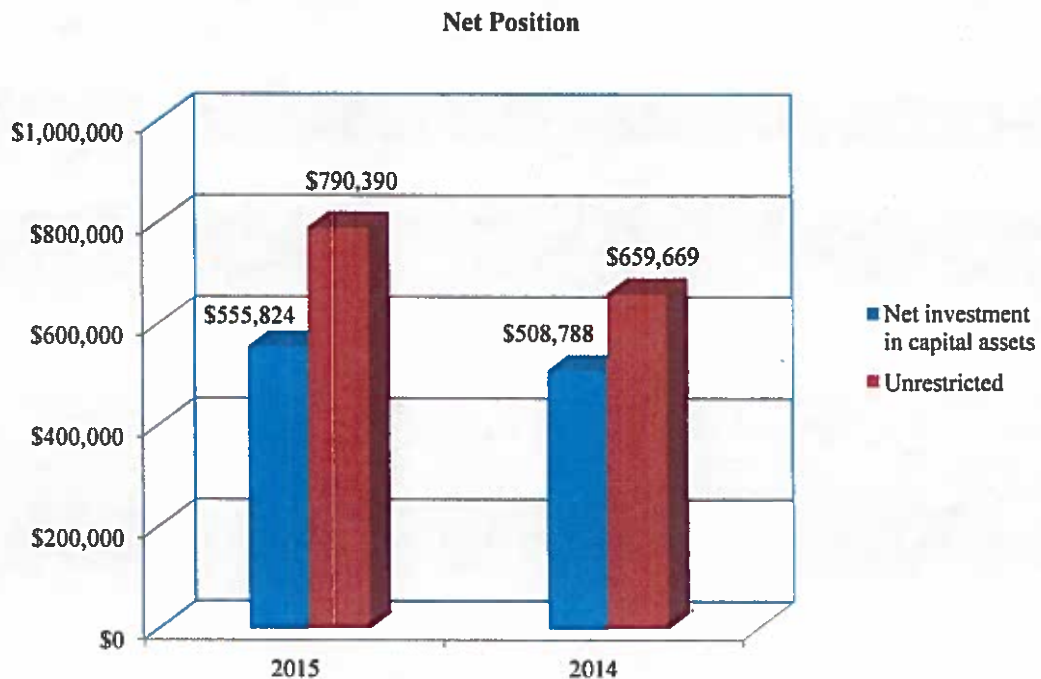
HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis, Continued

At June 30, 2015, the Auxiliary's total assets increased by \$448,542 or 31%, compared to the previous fiscal year. This variance represents an increase in current assets of \$154,082 and noncurrent assets of \$294,460.

At June 30, 2015, the Auxiliary's total current liabilities increased by \$249,951 or 94%, compared to the prior fiscal year. The major components of this variance were related to an increase in accounts payable and accrued expenses of \$224,649, and deposits held in custody for others of \$69,686. It was offset by a decrease of \$50,311 in capital lease obligations. These variances were largely due to the timing of payments and disbursements from various expense accounts and the termination of a capital lease.

The following illustrates the Auxiliary's net position at June 30, 2015 and 2014, by category:



HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis, Continued

**Statements of Revenue, Expenses and Changes in Net Position**

The statements of revenue, expenses and changes in net position presents the operating results of the Auxiliary, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2015 and 2014, are as follows:

**Revenue**

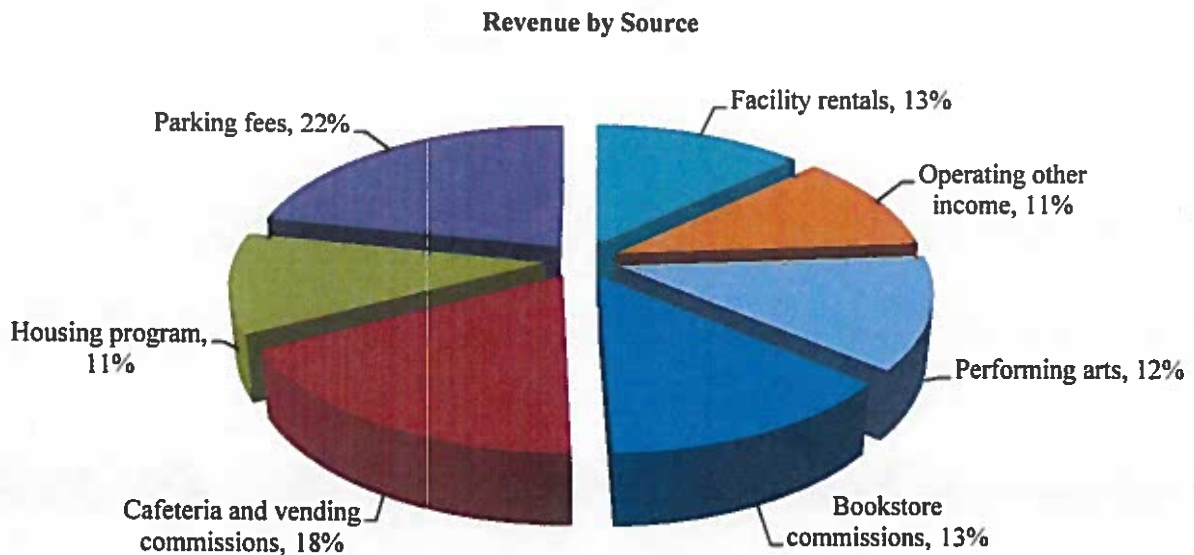
	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Commissions:				
Bookstore	\$ 222,729	204,275	18,454	9%
Cafeteria and vending	291,676	289,709	1,967	1%
Royalties	8,201	8,366	(165)	(2%)
Parking fees	371,537	377,892	(6,355)	(2%)
Facility rentals	213,945	234,689	(20,744)	(9%)
Performing arts	205,328	218,366	(13,038)	(6%)
Housing program	182,445	181,835	610	1%
Other income	161,637	147,426	14,211	10%
Bad debt recovery	-	3,500	(3,500)	(100%)
Donated space	<u>1,549</u>	<u>1,549</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>1,659,047</u>	<u>1,667,607</u>	<u>(8,560)</u>	<u>(1%)</u>
Nonoperating revenue:				
Investment income	(2,048)	21,433	(23,481)	(110%)
Other income	<u>3,837</u>	<u>220</u>	<u>3,617</u>	1,644%
Total nonoperating revenue	<u>1,789</u>	<u>21,653</u>	<u>(19,864)</u>	<u>(92%)</u>
Total revenue	\$ <u>1,660,836</u>	<u>1,689,260</u>	<u>(28,424)</u>	<u>(2%)</u>

The Auxiliary's total revenue for the year ended June 30, 2015 was \$1,660,836, a decrease of \$28,424 or 2%, compared to the prior fiscal year. Driving this were decreases in investment income, facility rentals, performing arts, parking fees and bad debt recovery. The largest decrease, 110% was in investment income due to declines in unrealized earnings. The decreases in facility rentals, performing arts and parking fees were all largely attributable to less demand for these services from outside organizations. The decrease in bad debt recovery represents monies that were recouped by the performing arts center in fiscal year 2014; a similar amount was not available in fiscal year 2015. The increase of other income was due to an increase in location shoots and tech services provided by Lehman Studios for outside organizations.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis, Continued

The following illustrates the Auxiliary's revenue, by source, for the year ended June 30, 2015:



**Expenses**

	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
<b>Operating expenses:</b>				
Parking	\$ 230,397	212,050	18,347	9%
Student programs	61,278	59,197	2,081	4%
Performing arts	235,371	228,290	7,081	3%
Housing program	209,499	211,924	(2,425)	(1%)
Other	100,592	92,884	7,708	8%
Donated space	1,549	1,549	-	-
Management and general	174,603	120,423	54,180	45%
Depreciation	<u>78,711</u>	<u>53,561</u>	<u>25,150</u>	47%
Total operating expenses	1,092,000	979,878	112,122	11%
<b>Nonoperating expenses - College support</b>	<u>391,079</u>	<u>386,627</u>	<u>4,452</u>	1%
<b>Total expenses</b>	<b>\$ <u>1,483,079</u></b>	<b><u>1,366,505</u></b>	<b><u>116,574</u></b>	<b>9%</b>



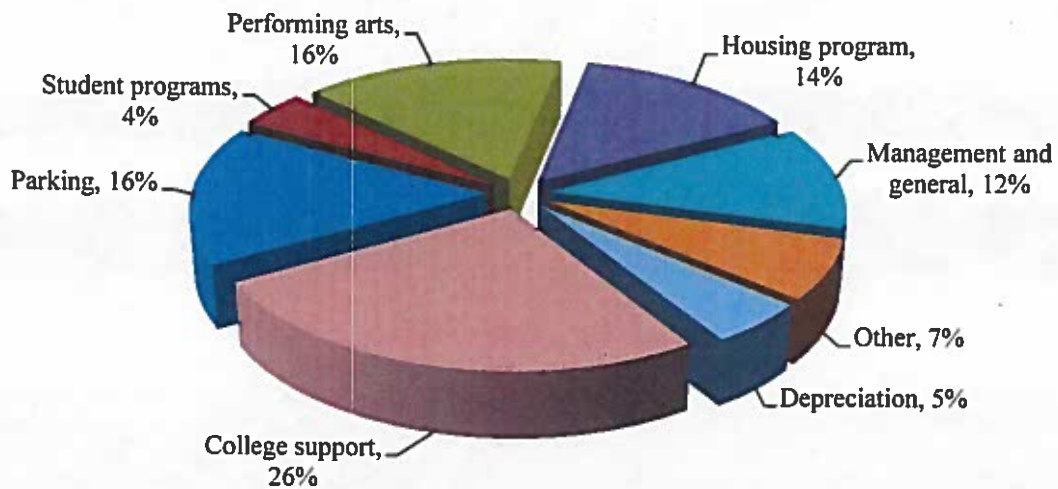
HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis, Continued

Total expenses for the year ended June 30, 2015 were \$1,483,079, an increase of \$116,574 or 9%, compared to the previous fiscal year. The major components of this variance were from expenses relating to depreciation, parking and other. Depreciation increased 47% due to the acquisition of new assets by the Auxiliary. The increase in parking expenses was due to increased costs for repair and maintenance of the parking lots. The increase in other reflects the increased costs for Lehman Studios which is offset by the revenue received for these services from outside entities.

The following illustrates the Auxiliary's expenses, by category, for the year ended June 30, 2015:

Expenses by Category



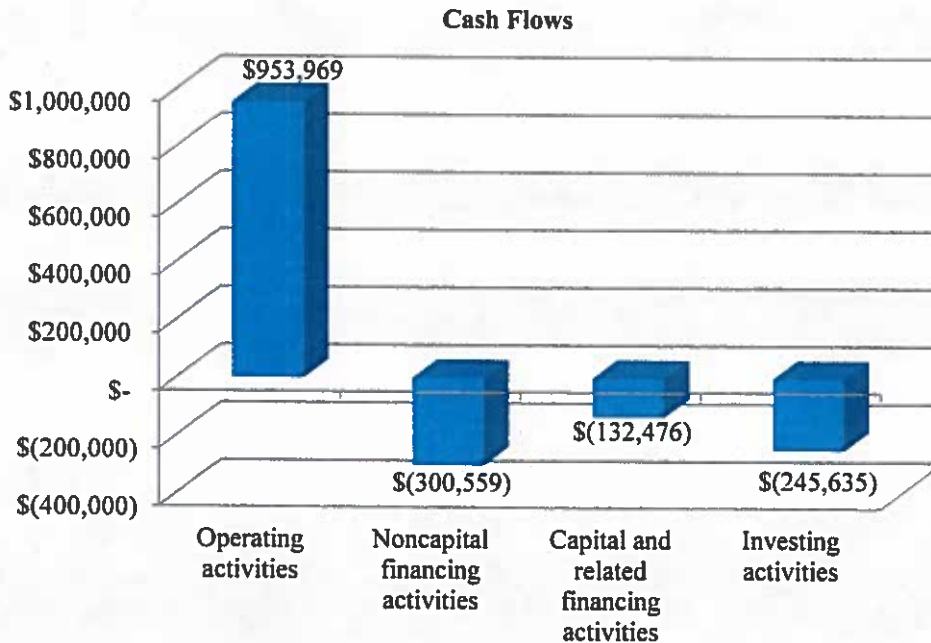
HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Management's Discussion and Analysis, Continued

**Cash Flows**

The statement of cash flows provides information about cash receipts and cash payments during the fiscal year. This statement assists users in assessing the Auxiliary's ability to maintain the cash flows necessary to meet its obligations and its dependency on external financing. Cash flows from operating activities increased \$290,691 from the prior fiscal year largely due to an increase in accounts payable and accrued expenses.

The following summarizes the Auxiliary's cash flows for the year ended June 30, 2015:



**Economic Factors That May Affect the Future**

There are no known economic factors that may influence the future. The Auxiliary depends on user fees and commissions to fund its expenditures. Decreases in revenue would be offset by a corresponding decrease in expenditures.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.  
Statements of Net Position  
June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and equivalents	\$ 630,496	355,197
Accounts receivable, net of allowance for doubtful accounts of \$170,922 in 2015 and \$109,088 in 2014	311,134	360,690
Prepaid expenses and other assets	<u>869</u>	<u>72,530</u>
Total current assets	<u>942,499</u>	<u>788,417</u>
Noncurrent assets:		
Investments, at fair value	406,035	158,611
Capital assets, net	<u>555,824</u>	<u>508,788</u>
Total noncurrent assets	<u>961,859</u>	<u>667,399</u>
Total assets	<u>1,904,358</u>	<u>1,455,816</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	183,448	87,731
Due to related parties	167,485	38,553
Deposits held in custody for others	149,592	79,906
Current portion of capital lease obligations	-	50,311
Unearned revenue	<u>15,952</u>	<u>10,025</u>
Total current liabilities	516,477	266,526
Noncurrent liabilities - security deposit	<u>41,667</u>	<u>20,833</u>
Total liabilities	<u>558,144</u>	<u>287,359</u>
<u>Net Position</u>		
Net investment in capital assets	555,824	508,788
Unrestricted	<u>790,390</u>	<u>659,669</u>
Total net position	<u>\$ 1,346,214</u>	<u>1,168,457</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 222,729	204,275
Cafeteria and vending	291,676	289,709
Royalties	8,201	8,366
Parking fees	371,537	377,892
Facility rentals	213,945	234,689
Performing arts	205,328	218,366
Housing program	182,445	181,835
Other income	161,637	147,426
Bad debt recovery	-	3,500
Donated space	1,549	1,549
	<u>1,659,047</u>	<u>1,667,607</u>
Total operating revenue		
Operating expenses:		
Parking	230,397	212,050
Student programs	61,278	59,197
Performing arts	235,371	228,290
Housing program	209,499	211,924
Other	100,592	92,884
Donated space	1,549	1,549
Management and general	174,603	120,423
Depreciation	78,711	53,561
	<u>1,092,000</u>	<u>979,878</u>
Total operating expenses		
Income from operations	<u>567,047</u>	<u>687,729</u>
Nonoperating revenue (expenses):		
Investment income	(2,048)	21,433
Other income	3,837	220
College support	(391,079)	(386,627)
	<u>(389,290)</u>	<u>(364,974)</u>
Total nonoperating expenses, net		
Increase in net position	177,757	322,755
Net position at beginning of year	<u>1,168,457</u>	<u>845,702</u>
Net position at end of year	<u>\$ 1,346,214</u>	<u>1,168,457</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.  
Statements of Cash Flows  
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	\$ 241,160	201,320
Cafeteria and vending commissions	267,888	284,781
Royalties commissions	10,416	7,653
Facility rentals	212,622	234,343
Parking fees	333,822	382,665
Bad debt recovery	-	3,500
Performing arts, housing program and other income	531,986	419,019
Cash payments to/for:		
Salaries and employee benefits	(139,819)	(71,282)
Vendors	13,457	(9,093)
Other	(517,563)	(789,628)
Net cash provided by operating activities	<u>953,969</u>	<u>663,278</u>
Cash flows from noncapital financing activities:		
Change in deposits held in custody for others	69,686	55,605
Proceeds from security deposits	20,834	-
College support	(391,079)	(386,627)
Net cash used in noncapital financing activities	<u>(300,559)</u>	<u>(331,022)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(82,165)	(80,012)
Repayment of capital lease obligations	(50,311)	(87,572)
Proceeds from capital lease obligations	-	72,564
Net cash used in capital and related financing activities	<u>(132,476)</u>	<u>(95,020)</u>
Cash flows from investing activities:		
Investment income	(249,472)	232
Other income	3,837	220
Net cash provided by (used in) investing activities	<u>(245,635)</u>	<u>452</u>
Net increase in cash and equivalents	275,299	237,688
Cash and equivalents at beginning of year	<u>355,197</u>	<u>117,509</u>
Cash and equivalents at end of year	<u>\$ 630,496</u>	<u>355,197</u>

(Continued)

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.  
Statements of Cash Flows, Continued

	<u>2015</u>	<u>2014</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 567,047	687,729
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	78,711	53,561
Changes in:		
Accounts receivable	49,556	(132,779)
Prepaid expenses and other assets	71,661	(7,135)
Accounts payable and accrued expenses	52,135	54,919
Due to related parties	128,932	14,194
Unearned revenue	<u>5,927</u>	<u>(7,211)</u>
Net cash provided by operating activities	<u>\$ 953,969</u>	<u>663,278</u>
Supplemental schedule of cash flow information:		
Donated space revenue	<u>\$ 1,549</u>	<u>1,549</u>
Donated space expense	<u>\$ 1,549</u>	<u>1,549</u>
Capital assets financed by accounts payable	<u>\$ 43,582</u>	<u>-</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Notes to Financial Statements

June 30, 2015 and 2014

(1) Nature of Organization

The Herbert H. Lehman College Auxiliary Enterprise Corporation, Inc. (the Auxiliary) is a nonprofit corporation organized to support certain student activities and provide facilities and auxiliary services for the benefit of the campus of Herbert H. Lehman College (the College) of the City University of New York (CUNY or the University).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Auxiliary's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Auxiliary is considered to be a special-purpose government engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Auxiliary is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Accounting Pronouncements

The significant GASB standards followed by the Auxiliary are summarized below:

- GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement amends the net asset reporting requirements in Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.
- GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Net Position

The Auxiliary's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Auxiliary to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Auxiliary or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Auxiliary's Board of Directors.

At June 30, 2015, the Auxiliary had no restricted net position.

(d) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

(e) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

(f) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Auxiliary's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$1,000 or more for computer hardware and \$5,000 or more for all other equipment; and \$25,000 or more for building improvements. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years and the estimated useful life of building improvements is 25 years.



HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Notes to Financial Statements, Continued

(4) Capital Assets

At June 30, 2015 and 2014, capital assets consisted of the following:

	2015			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 208,513	125,747	-	334,260
Cafeteria renovations	464,300	-	-	464,300
Parking gate	211,187	-	-	211,187
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,069,000	125,747	-	1,194,747
Less accumulated depreciation	<u>(560,212)</u>	<u>(78,711)</u>	<u>-</u>	<u>(638,923)</u>
	<u>\$ 508,788</u>	<u>47,036</u>	<u>-</u>	<u>555,824</u>
	2014			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 201,066	7,447	-	208,513
Cafeteria renovations	464,300	-	-	464,300
Parking gate	138,622	72,565	-	211,187
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	988,988	80,012	-	1,069,000
Less accumulated depreciation	<u>(506,651)</u>	<u>(53,561)</u>	<u>-</u>	<u>(560,212)</u>
	<u>\$ 482,337</u>	<u>26,451</u>	<u>-</u>	<u>508,788</u>

(5) Deposits Held in Custody for Others

At June 30, 2015 and 2014, the Auxiliary held \$149,592 and \$79,906, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other groups and organizations related to the College.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Notes to Financial Statements, Continued

(6) Donated Space

The Auxiliary utilizes certain facilities provided by the College. The estimated fair values of facilities are included in the accompanying statements of revenue, expenses and changes in net position. Donated space for the years ended June 30, 2015 and 2014 amounted to \$1,549.

(7) Related Party Transactions

The Auxiliary has funded various College expenses including campus ceremonies, equipment and maintenance and music expenses. These expenses are included within College support in the accompanying statements of revenue, expenses and changes in net position. College support for the years ended June 30, 2015 and 2014 amounted to \$391,079 and \$386,627, respectively. The Auxiliary is occasionally required to transfer funds to/from other College related entities during the course of the year for payroll reimbursement and other costs, if any.

The Auxiliary has invested \$406,035 and \$158,611 as of June 30, 2015 and 2014, respectively, in the CUNY investment pool (note 3) which is under the control of the Committee, a related party.

At June 30, 2015 and 2014, the Auxiliary owed \$167,485 and \$38,553, respectively, to other Lehman College entities. These amounts are included in due to related parties on the statements of net position.

(8) Accounting Standards Issued But Not Yet Implemented

- GASB Statement No. 72 - "Fair Value Measurement and Application." This Statement, which was issued in February 2015, provides guidance regarding accounting and financial reporting issues related to fair value measurements for certain investments and disclosures related to fair value measurements. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015 for the Auxiliary. This Statement is being evaluated for its effect on the financial statements of the Auxiliary.

HERBERT H. LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION, INC.

Notes to Financial Statements, Continued

(8) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This Statement, issued in June 2015, establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions," as well as requirements for the assets accumulated for purposes of providing those pensions. The requirements of this Statement for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016. Requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions as well as the requirements for pension plans within the scope of Statements 67 and 68 are effective for fiscal years beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- GASB Statement No. 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement, issued in June 2015, replaces existing standards of accounting and financial reporting for postemployment benefit plans other than pension plans and also replaces existing requirements for defined contribution OPEB plans. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning July 1, 2017 for the Auxiliary. This Statement is not expected to have a material effect on the financial statements of the Auxiliary.
- GASB Statement No. 76 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This Statement, issued in June 2015, supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements for this Statement are effective for financial statements for periods beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015 for the Auxiliary. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Auxiliary.